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} REPORT
No. 546

**STRENGTHENING THE ORGANIZATION OF THE
DEPARTMENT OF STATE**

JUNE 14, 1955.—Ordered to be printed

Mr. GEORGE, from the Committee on Foreign Relations, submitted
the following

R E P O R T

[To accompany S. 2237]

The Committee on Foreign Relations, having had under consideration a communication from the Senate Appropriations Subcommittee on the Departments of State and Justice and the Judiciary and a report from a Foreign Relations Subcommittee relative to the organization of the Department of State, reports an original bill, S. 2237, and recommends that it do pass.

MAIN PURPOSE OF THE BILL

The purpose of the bill is twofold. First, it will increase the number of top-level statutory positions in the Department of State by three officers at the level of Deputy Under Secretary of State. Second, it will authorize an increase in the salaries of the top-level officers, exclusive of the Secretary of State, namely, the Under Secretary of State, 3 Deputy Under Secretaries of State, 10 Assistant Secretaries of State, the Counselor, and the Legal Adviser.

COMMITTEE ACTION

On June 2, 1955, the chairman of the Committee on Foreign Relations received a letter from the chairman of the Senate Appropriations Committee's Subcommittee on the Departments of State and Justice and the Judiciary and Related Agencies. That letter, which appears in full in the appendix of this report, suggested that legislation relating to the organization of the Department of State should be amended "to permit a more orderly top organization and also to provide levels of remuneration which will attract the best qualified executives." The letter was referred to the Foreign Relations Sub-

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committee on State Department Organization and Public Affairs under the chairmanship of Senator Mike Mansfield. The subcommittee met with Deputy Under Secretary of State Loy Henderson on June 6 to consider the communication from the Appropriations Subcommittee and agreed to recommend a draft bill to the full Committee on Foreign Relations for its consideration.

On June 9, the Committee on Foreign Relations, without objection, favorably ordered the proposed bill reported.

THE NEED FOR THE LEGISLATION

In 1949 the Congress enacted Public Law 73 (81st Cong.), which provided that in addition to the Secretary of State, there should be 1 Under Secretary of State and 10 Assistant Secretaries of State. That legislation authorized two of the persons occupying positions as Assistant Secretaries of State to be designated by the Secretary of State as Deputy Under Secretaries, but their compensation was to remain the same as that for Assistant Secretaries.

At the present time one of the Deputy Under Secretary positions is occupied by the Honorable Robert G. Murphy who is concerned with political matters, and the other is filled by the Honorable Loy W. Henderson who is Deputy Under Secretary of State for Administration. There is no position of Deputy Under Secretary of State for economic matters although that responsibility is considered by many people as important as the political and administrative responsibilities of the Department.

The Committee on Foreign Relations felt that in view of the increased responsibilities of the United States in world affairs that steps should be taken to give the Department three additional top-level positions. The pending bill does so by virtue of creating the 3 posts of Deputy Under Secretary of State and by leaving the number of Assistant Secretary of State posts at 10. Provision is made so that the two incumbents in the posts of Deputy Under Secretary, who have already been confirmed by the Senate, may continue in their respective offices without the necessity of being reconfirmed. The third Deputy Under Secretary of State post, however, will need to be filled in accordance with the usual appointment and confirmation procedure. Moreover, since the 2 incumbents will occupy statutory positions of Deputy Under Secretary of State in the event the bill is approved by Congress, there will be 2 vacancies in the posts of Assistant Secretary of State. These two posts will need to be filled in accordance with the usual procedures.

In view of the fact that the Department of State will soon assume responsibility for the International Cooperation Administration which will take over certain functions from the Foreign Operations Administration, it seems particularly important to the committee that immediate steps be taken to strengthen the organizational structure of the Department in the economic field. Although the pending legislation does not require that the new Deputy Under Secretary of State should have responsibility in the economic area, the committee would expect, unless there are compelling reasons to the contrary, that this is the area in which the President would make the appointment.

The committee points out that the complexity of foreign relations require many contacts between ambassadors accredited to the United

States and the Department of State. It cannot be expected that these representatives of foreign sovereigns should deal regularly on important matters with officers of rank lesser than that of Assistant Secretary. Nor should an Assistant Secretary be expected to have responsibility for dealing with an unusually large number of countries. At the present time, there are Assistant Secretaries of State responsible for (1) congressional relations, (2) international organizations, (3) economic affairs, (4) public affairs, (5) Inter-American affairs, (6) European affairs, (7) Near Eastern, South Asian, and African affairs, and (8) Far Eastern affairs. Only four of the Assistant Secretaries hold geographic offices where our relations with some 80 foreign nations are coordinated. This means that each geographic office has principal responsibility for our dealings with an average of 20 countries. This situation will be alleviated by the proposed legislation.

In addition to providing for three more top positions in the Department of State, the pending bill raises the salaries of the highest officers in the Department of State at a total per annum cost of some \$85,000. The salary of the Under Secretary of State is raised from \$17,500 to \$21,000; that of three Deputy Under Secretaries from \$15,000 to \$20,500; that of 10 Assistant Secretaries from \$15,000 to \$20,000; that of the Counselor from \$15,000 to \$20,000; and that of the Legal Adviser, whose statutory rank is equal to that of the Assistant Secretaries of State, from \$14,800 to \$20,000.

At the present time the salaries of these officials are clearly inadequate and inequitable. An ambassador at a class 1 post such as London or Paris receives \$25,000 per annum and at a class 2 post receives \$20,000 per annum. The hardship that results from this situation is indicated by the cases of the two present Deputy Under Secretaries of State who received \$25,000 per annum while serving in class 1 ambassadorial posts. But now, having returned to the Department to positions of greater responsibility than those they had in the field, their salaries are fixed at \$15,000.

COMMITTEE CONCLUSION

The committee fully concurs with the suggestions of the Appropriations Subcommittee cited above that steps should be taken—to provide higher statutory salaries for each executive tier down to and including the Assistant Secretaries, who each receive \$15,000 per annum, and who in turn have several subordinates at approximately the same salary and that the—

present disparity in positions as well as salary rates can only be rectified by the enactment of remedial legislation proposed by your committee.

APPENDIX I

UNITED STATES SENATE, June 2, 1955.

Sen. WALTER F. GEORGE,
Chairman, Committee on Foreign Relations,
United States Senate, Washington, D. C.

DEAR MR. CHAIRMAN: The Committee on Appropriations has authorized me to bring to your attention promptly the matter of organization and salary structure of the higher officials in the State Department, a matter which falls within the purview of your committee and which was disclosed during recent appropriations hearings on 1956 fund requirements of this Department.

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Specifically, it was noted that under the statute (5 U. S. C. 151a and b) the Department is limited, in addition to the Secretary and 1 Under Secretary, \$17,500 per annum, to 10 Assistant Secretaries at \$15,000 per annum, 2 of which may be designated as Deputy Under Secretaries. It is apparent that this statute should be amended to permit a more orderly top organization and also to provide levels of remuneration which will attract the best qualified executives.

Under the present pattern of organization the number of subordinates that are responsible to the Deputy Assistant Secretaries is far too broad in that the functions of the various areas, which, in themselves require specialization, all channel upward to the Under Secretary through the offices of the two deputies. This violates the basic principles of effective organization. There is definite need for creating a position of Deputy Secretary as well as several Under Secretaries in order to properly distribute the executive responsibilities into segments which embody groups of activities involving similar basic operating characteristics and which are of reasonable organizational dimensions.

With respect to the salary pattern, while the statutory salary of the Secretary (\$22,500) naturally depresses the remuneration of his key subordinates, it would seem possible under the suggested rearrangement of titles, to provide higher statutory salaries for each executive tier down to and including the Assistant Secretaries who each receive \$15,000 per annum, and who in turn have several subordinates at approximately the same salary. This present disparity in positions as well as salary rates can only be rectified by the enactment of remedial legislation proposed by your committee. Glaring illustrations are the cases of Robert Murphy and Loy Henderson who were top career ambassadors at \$25,000 per annum and were called back to perform the duties of Deputy Under Secretaries at the pay of an Assistant Secretary at \$15,000 per annum. It is interesting to note, however, that before Mr. Henderson could receive the compensation of Assistant Secretary it was necessary to vacate one of the Assistant Secretary positions. This was accomplished by changing the title of the incumbent holding the title of Assistant Secretary of Administration to that of Comptroller and obtaining special permission from the Civil Service Commission to classify the new position. This request was granted on a temporary basis which ended June 1, 1955, and was extended for 60 days, at the top grade, GS-18, at \$14,800 per annum.

It is urged that your committee give early consideration to the suggestions proposed.

Very sincerely yours,

HARLEY M. KILGORE,

*Chairman, Subcommittee on Departments of State and Justice and the
Judiciary and Related Agencies.*

APPENDIX II

CHANGES IN EXISTING LAW

In compliance with subsection (4) of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

[PUBLIC LAW 73--81ST CONGRESS]

[CHAPTER 143--1ST SESSION]

[S. 1704]

AN ACT To strengthen and improve the organization and administration of the Department of State, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That there shall be in the Department of State in addition to the Secretary of State an Under Secretary of State and ten Assistant Secretaries of State.] There shall be in the Department of State in addition to the Secretary of State an Under Secretary of State, three Deputy Under Secretaries of State, and ten Assistant Secretaries of State.

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SEC. 2. [The Secretary of State and the officers referred to in section 1 of this Act shall be appointed by the President, by and with the advice and consent of the Senate. The Counselor of the Department of State and the Legal Adviser who are required to be appointed by the President, by and with the advice and consent of the Senate, shall rank equally with the Assistant Secretaries of State. Any such officer holding office at the time the provisions of this Act become effective shall not be required to be reappointed by reason of the enactment of this Act. The Secretary may designate two of the Assistant Secretaries as Deputy Under Secretaries.] *The Secretary of State and the officers referred to in section 1 of this Act, as amended, shall be appointed by the President, by and with the advice and consent of the Senate. The Counselor of the Department of State and the Legal Adviser, who are required to be appointed by the President, by and with the advice and consent of the Senate, shall rank equally with the Assistant Secretaries of State. Any such officer holding office at the time the provisions of this Act, as amended, become effective shall not be required to be reappointed by reason of the enactment of this Act, as amended. The rates of basic compensation of the Under Secretary of State shall be \$21,000 per annum, the Deputy Under Secretaries of State \$20,500 per annum, the Assistant Secretaries of State, the Counselor, and the Legal Adviser \$20,000 per annum.*

SEC. 3. The Secretary of State, or such person or persons designated by him, notwithstanding the provisions of the Foreign Service Act of 1946 (60 Stat. 999) or any other law, except where authority is inherent in or vested in the President of the United States, shall administer, coordinate, and direct the Foreign Service of the United States and the personnel of the State Department. Any provisions in the Foreign Service Act of 1946, or in any other law, vesting authority in the "Assistant Secretary of State for Administration", the "Assistant Secretary of State in Charge of the Administration of the Department", the "Director General", or any other reference with respect thereto, are hereby amended to vest such authority in the Secretary of State.

SEC. 4. The Secretary of State may promulgate such rules and regulations as may be necessary to carry out the functions now or hereafter vested in the Secretary of State or the Department of State, and he may delegate authority to perform any of such functions to officers and employees under his direction and supervision.

SEC. 5. The following statutes or parts of statutes are hereby repealed:

Section 200 of the Revised Statutes, as amended and amplified by the Acts authorizing the establishment of additional Assistant Secretaries of State, including section 22 of the Act of May 24, 1924 (ch. 182, and the Act of December 8, 1944, R. S. 200; 43 Stat. 146; 58 Stat. 798; 5 U. S. C. 152, as amended by Public Law 767, Eightieth Congress).

Section 202 of the Foreign Service Act of 1946 (60 Stat. 1000) and any other reference in such Act to the "Deputy Director General".

Section 1041 of the Foreign Service Act of 1946 (60 Stat. 1032).

Approved May 26, 1949.

NOTE.—Section 3 of the pending legislation which does not amend existing legislation is as follows:

SEC. 3. The President may initially fill two of the Deputy Under Secretary positions established in section 1 of this Act by appointing, without further advice and consent of the Senate, the two Deputy Under Secretaries of State who, on the date of the enactment of this Act held that designation pursuant to authority contained in section 2 of the Act of May 26, 1949 (63 Stat. 111).

